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ANNUAL JOB CUT ANNOUNCEMENTS UP 28.6 PERCENT YEAR OVER YEAR, HIGHEST TOTAL SINCE 2015

CHICAGO, January 3, 2019 – While December was quieter than the previous three months, as employers at U.S.-based companies announced plans to cut 43,884 workers from their payrolls during the month, the year-to-date total is nearly 29 percent higher than last year and the highest total since 2015, according to a report released Thursday by global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

In 2018, 538,659 job cuts were announced, 28.6 percent higher than the 418,770 announced in 2017. This is the highest annual total since 598,510 cuts were recorded in 2015, and the second-highest total since 2011, when 606,082 cuts were announced.

During the final quarter of the year, employers announced 172,601 job cuts, 42.8 percent higher than the 120,879 recorded in the third quarter and 77.4 percent higher than the 97,292 announced in the same quarter last year. This is the highest quarterly total since the first quarter of 2016, when 180,920 cuts were announced (see Table 5).

Last month's job cut total is 17.3 percent lower than the 53,073 cuts announced in November and 35.3 percent higher than the 32,423 cuts announced in the same month last year.

"We've seen a number of companies responding to changing consumer behavior this year, and with tax savings and a strong economy, making staffing decisions ahead of a potential downturn next year," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

“While December did see some fallout from suppliers, especially in the Midwest after GM’s November decision to cut 14,000 workers and close five plants, the big story this year was in Retail,” he added.

Retail

Through December, retailers announced 98,563 cuts, 29.5 percent higher than the 76,084 announced last year. Retail cuts comprise 18.3 percent of all announced cuts this year.

Retailers began closing stores en masse in 2017, leading to large-scale layoff announcements through the end of this year. Challenger tracked 3,886 announced store closures from Retailers in 2018, after 9,801 announced closures in 2017.

Major job cut announcements in Retail came from Toys“R”Us, which closed its doors in March. Challenger tracked 30,000 cuts at that time due to the company’s bankruptcy. Meanwhile, Sears has been steadily cutting jobs and closing stores. Using WARN reports and local news stories, Challenger tracked 10,016 planned cuts at Sears and Kmart stores this year.

“While Retailers have made significant job cuts this year, the industry is also doing the bulk of hiring, albeit seasonally. It remains to be seen if Retailers cut these jobs in the New Year,” said Challenger.

In fact, Retailers have announced 699,560 hiring plans in 2018, 439,000 of which were seasonal. Overall, companies announced 714,000 seasonal hiring plans, the most since Challenger began tracking in 2012.

Technology

“2018 saw a number of announcements due to shifting consumer demands brought on by new technologies, such as online shopping and mobile services, as well as from companies that are streamlining to incorporate this new tech,” said Challenger.

Companies in the Computer, Electronics, and Telecommunications industries, which make up Challenger’s Technology sector, have cut a total of 86,341 workers, 124 percent higher than the 38,508 announced in this sector in 2017.

“Shifts in technology are ultimately impacting all other industries, as companies pivot to integrate and benefit from these new tools. We’ve seen it in announcements from the Retail, Automotive, and Finance sectors,” said Challenger.

Impact of Tariffs, Government Regulations, and Natural Disasters

The majority of job cut announcements were due to companies restructuring, with 185,931 cuts were attributed to this reason. Another 145,298 were due to closings. Voluntary severance, such as buyouts or early retirement offers, claimed 48,745.

Challenger tracked 798 announced job cuts specifically due to enacted tariffs. Another 1,565 cuts were blamed on government regulations, either federal or local.

Meanwhile, Hurricane Michael was to blame for 800 cuts in Florida. The recent earthquake in Alaska claimed 40 jobs, while 27 workers were cut due to wildfires.

“It remains to be seen, especially as new trade deals continue to be negotiated and tariffs are lifted or further enforced, what the impact on job cuts will be. The large-scale job cut announcements due to these tariffs have yet to be announced, it seems,” said Challenger.

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Table 1: TOP FIVE INDUSTRIES

Year To Date

	2018	2017
Retail	98,563	76,084
Telecommunications	59,568	14,223
Health Care/Products	44,108	40,732
Financial	42,199	16,119
Services	36,915	36,174

MONTH-BY-MONTH TOTALS

	2018	2017
January	44,653	45,934
February	35,369	36,957
March	60,357	43,310
April	36,081	36,602
May	31,517	33,092
June	37,202	31,105
July	27,122	28,307
August	38,472	33,825
September	55,285	32,346
October	75,644	29,831
November	53,073	35,038
December	43,884	32,423
TOTAL	538,659	418,770

Some reductions are identified by employers as workers who will take early retirement offers or other special considerations to leave the company.

LAYOFF LOCATION

Year To Date

California	97,163
New York	82,210
New Jersey	42,642
Texas	27,500
Ohio	26,360

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

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Table 2: JOB CUTS BY INDUSTRY

	17-Dec	18-Nov	18-Dec	YTD 2017	YTD 2018
Aerospace/Defense	214	407	3,271	14,825	9,393
Apparel		259		0	1,365
Automotive	129	14,040	2,058	17,521	30,587
Chemical		1,791	151	903	2,831
Commodities	339		60	941	584
Computer	749	3,588	1,008	19,417	14,230
Construction	163	476		8,822	2,267
Consumer Products	818	1,527	949	16,803	31,682
Education	2,456	395	603	14,721	10,132
Electronics	12	238	241	4,868	12,543
Energy	787	1,242	717	16,631	8,681
Entertainment/Leisure	339	2,865	1,591	11,645	14,366
Financial	664	315	848	16,119	42,199
Food	759	3,264	2,409	20,737	17,036
Government	260	1,119	1,157	9,236	4,778
Health Care/Products	2,587	4,300	4,665	40,732	44,108
Industrial Goods	14,193	2,514	2,684	34,179	27,644
Insurance	1,190	1,668		8,970	6,801
Legal		304		588	428
Media	197	589	3,599	4,062	15,474
Non-Profit	83	209	193	1,719	2,401
Pharmaceutical	744	483	5,135	13,998	15,753
Real Estate	20	91	110	552	558
Retail	1,419	3,769	2,059	76,084	98,563
Services	3,338	3,716	6,352	36,174	36,915
Telecommunications	832		50	14,223	59,568
Transportation	131	2,433	3,463	12,258	22,598
Utility		166	84	2,042	2,559
Warehousing	N/A	1,305	427	N/A	2,615
TOTAL	32,423	53,073	43,884	418,770	538,659

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Table 3: JOB CUTS BY REGION, STATE

EAST	December	YTD
New York	7,698	82,210
New Jersey	504	42,642
Pennsylvania	745	16,648
Massachusetts	134	9,605
Connecticut	114	4,758
Maryland	291	4,529
Dist. of Columbia	2,598	3,005
Rhode Island	200	1,356
Maine	150	447
New Hampshire	13	343
Vermont		332
Delaware		247
	12,447	166,122

MIDWEST	December	YTD
Ohio	1,804	26,360
Michigan	1,187	23,611
Wisconsin	663	19,310
Illinois	1,736	17,924
Minnesota	454	9,217
Missouri	590	8,732
Iowa	25	7,817
Indiana	202	5,963
Nebraska	246	3,516
Kansas	150	2,105
TOTAL	7,057	124,555

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Table 3 (cont'd): JOB CUTS BY REGION, STATE

WEST	December	YTD
California	5,541	97,163
Texas	1,222	27,500
Colorado	831	5,502
Washington	189	5,153
Arizona	10	3,732
Utah		2,106
Oklahoma	25	1,888
Oregon	54	1,799
New Mexico	30	1,573
South Dakota	67	1,415
Idaho	105	1,361
Alaska	40	1,278
North Dakota	290	726
Wyoming		362
Nevada		210
Hawaii		117
Montana		50
TOTAL	8,404	151,935

SOUTH	December	YTD
Florida	2,374	20,760
North Carolina	5,036	17,873
Georgia	1,817	12,553
Virginia	2,749	12,106
South Carolina	1,083	6,560
Kentucky	618	5,582
Tennessee	630	5,481
Louisiana	208	4,151
Alabama		3,847
Mississippi	688	3,082
West Virginia		2,074
Arkansas	773	1,978
TOTAL	15,976	96,047

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Table 4: JOB CUTS BY REASON

	December	YTD
Restructuring	7,490	184,931
Closing	8,693	145,298
Voluntary Severance	2,645	48,745
Cost-Cutting	2,217	46,259
Bankruptcy	560	36,016
Acquisition/Merger	8,616	31,797
Contract Loss	6,616	19,876
Outsourcing	2,326	6,675
Relocation	681	6,213
Demand Downturn	655	5,763
No Reason Provided	1,868	1,868
Government Regulation	200	1,565
Hurricane Michael	800	800
Tariffs		798
Coal Downturn		613
Financial Losses		365
Reduction in Medicare Funding	247	247
Reorganization		227
Accounting Investigation	200	200
Legal Trouble		62
Technological Update		60
Sexual Harassment Allegations		48
Budget Cuts		40
Earthquake	40	40
Competition		30
Consolidation	30	30
Wildfire		27
Fire		25
ICE Inquiry		20
Termination		16
Policy Violation		5
TOTAL	43,884	538,659

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Table 5: QUARTER BY QUARTER

	Q1	Q2	Q3	Q4	TOTAL
1989	9,850	10,100	24,085	67,250	111,285
1990	107,052	87,686	49,104	72,205	316,047
1991	110,056	76,622	147,507	221,107	555,292
1992*	110,815	85,486	151,849	151,850	500,000
1993	170,615	84,263	194,486	165,822	615,186
1994	192,572	107,421	117,706	98,370	516,069
1995	97,716	114,583	89,718	137,865	439,882
1996	168,695	101,818	91,784	114,850	477,147
1997	134,257	51,309	95,930	152,854	434,350
1998	139,140	131,303	161,013	246,339	677,795
1999	210,521	173,027	173,181	118,403	675,132
2000	141,853	81,568	168,875	221,664	613,960
2001	406,806	370,556	594,326	585,188	1,956,876
2002	478,905	292,393	269,090	426,435	1,466,823
2003	355,795	274,737	241,548	364,346	1,236,426
2004	262,840	209,895	251,585	315,415	1,039,735
2005	287,134	251,140	245,378	288,402	1,072,054
2006	255,878	180,580	202,771	200,593	839,822
2007	195,986	197,513	194,095	180,670	768,264
2008	200,656	275,292	287,142	460,903	1,223,993
2009	562,510	318,165	240,233	151,122	1,272,030
2010	181,183	116,494	113,595	118,701	529,973
2011	130,749	115,057	233,258	127,018	606,082
2012	143,094	139,997	102,910	137,361	523,362
2013	145,041	113,891	128,452	121,667	509,051
2014	121,341	124,693	117,374	119,763	483,171
2015	140,214	147,458	205,759	105,079	598,510
2016	180,920	132,834	121,858	91,303	526,915
2017	126,201	100,799	94,478	97,292	418,770
2018	140,379	104,800	120,879	172,601	538,659
AVG	196,959	152,383	174,332	195,907	

**Estimate based on half-year total. Challenger began tracking job cut data in 1993. Before that, it was tabulated by an independent newsletter no longer published.*

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**Table 6: ANNOUNCED HIRING PLANS
By Month**

	2018	2017	2016	2015	2014
January	41,890	136,501	8,362	8,774	6,312
February	139,925	25,765	7,539	14,574	11,054
March	14,525	127,006	10,997	6,412	6,860
April	13,842	61,537	11,557	13,898	11,145
May	9,889	77,447	24,732	12,598	10,141
June	13,504	40,095	13,564	11,176	15,530
July	9,823	88,142	16,051	11,637	16,544
August	17,274	14,530	9,101	11,778	9,657
September	595,997	422,726	487,075	492,306	567,705
October	130,338	37387	135,532	86,107	147,935
November	15,422	61,300	108,994	10,026	11,291
December	15,999	8,218	35,198	11,465	7,332
TOTAL	1,018,428	1,100,654	868,702	690,751	821,506

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	December	YEAR-TO-DATE
Aerospace/Defense	1,950	6,284
Apparel		0
Automotive	3,275	8,349
Chemical		334
Commodities		307
Computer	2,629	17,230
Construction		760
Consumer Products	565	5,748
Education		568
Electronics		22,500
Energy		2,325
Entertainment/Leisure		17,015
Financial	1,436	9,390
Food	322	3,362
Government		1,216
Health Care/Products	200	3,295
Industrial Goods	524	8,694
Insurance		1,785
Legal		0
Media	25	525
Non-Profit		0
Pharmaceutical	333	2,833
Real Estate		39
Retail	2,500	699,560
Services	2,160	10,578
Telecommunications		2,952
Transportation		192,105
Utility		334
Warehousing	80	340
TOTAL	15,999	1,018,428